

Shelton Canada Completes Zhoda Acquisition

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Shelton Canada has received TSX Venture Exchange final acceptance for and has finalized Shelton's purchase of all of the issued and outstanding shares of Zhoda 2001 Corporation ("Zhoda"), a wholly owned subsidiary of Kroes Energy Inc., as previously announced on April 2, 2007.

Zhoda owns a 45% interest in Kashtan Petroleum Inc., a limited liability company, which operates a joint venture oilfield exploitation and development in the Lelyaki oil fields in Ukraine and has a current net production of approximately 275 bbls of light oil per day.

The most recent engineering report dated December 31, 2006 prepared by Calgary engineering firm Petroglobe (Canada) Ltd. has estimated the net proven reserves of Shelton/Zhoda to be 5.32 mm bbls and the net proven and probable reserves are estimated to be 8.7 mm bbls.

In consideration for this acquisition, Shelton paid Kroes a total of \$4,927,753 as follows: (a) \$1,000,000 paid by cash; (b) \$3,498,753 by issuance of 6,997,507 common shares of Shelton; and (c) \$429,000 by way of transfer of Shelton's only remaining western Canadian oil and gas interests. Shelton received TSX Venture Exchange acceptance for a private placement of 4,000,000 units at a price of \$0.25 per unit for gross proceeds of \$1,000,000 as announced on July 19, 2007 to assist with completion of the transaction.

Zenon Potoczny, President of Shelton, said "We are very pleased with the completion of this transaction which will further enhance Shelton's business plan and its growing inventory of projects in Ukraine. We are looking forward to future new drilling and rehabilitation of existing wells on this field."

The common shares issued in connection with this transaction are subject to a restricted period expiring November 19, 2007.

Following completion of this transaction Shelton will continue as a junior oil and gas company listed on the TSX Venture Exchange engaged in its Ukrainian, Azov Sea and Black Sea projects.

